

BEFORE THE COMMISSIONER OF SECURITIES AND INSURANCE
OFFICE OF THE STATE AUDITOR
STATE OF MONTANA

IN THE MATTER OF THE
CONVERSION OF BLUE CROSS
AND BLUE SHIELD OF MONTANA,
INC. AND ALLIANCE WITH
HEALTH CARE SERVICE
CORPORATION,

Applicants.

Case No. INS-2012-238

**STIPULATION AND NOTICE OF
DEADLINE EXTENSION OF
CONVERSION TRANSACTION
DETERMINATION**

The Attorney General of the State of Montana ("Attorney General") and Applicants Blue Cross Blue Shield of Montana, Inc. ("BCBSMT") and Health Care Service Corporation ("HCSC") hereby agree and stipulate to the following:

1. In light of Commissioner of Securities and Insurance, Montana State Auditor's ("Commissioner") Notice in this matter as issued on May 10, 2013, whereby the Commissioner extended the deadline for issuing the Commissioner's order approving or denying the proposed conversion transaction ("Transaction") to July 16, 2013, and upon request of the Applicants BCBSMT and HCSC that the Attorney General similarly extend the deadline for issuing the Attorney General's order approving or denying the Transaction, the deadline for the Attorney General's final order issued pursuant to Mont. Code Ann. § 50-4-713(1)(a) is hereby extended to July 16, 2013, unless further extended for cause by the Attorney General pursuant to Mont. Code Ann. § 50-4-713(3).

2. The extension of the deadline is necessary at this time to ensure a thorough review of the Hearing Examiner's Proposed Findings of Fact, Conclusions of Law, and Recommendations issued on May 2, 2013. The Attorney General requires more time to reach a determination in this matter than the current May 17, 2013 deadline affords.

3. The deadline for the Attorney General to issue an order as specified in paragraph 1 on page 1 of the April 19, 2013, Stipulation Between the Montana Attorney General and the Applicants ("April 19, 2013, Stipulation"), as filed by the Attorney General and the Applicants herein, is hereby amended as set forth in paragraph 1 above.

4. All other provisions of the April 19, 2013, Stipulation shall remain in full force and effect.

5. Nothing in this Stipulation shall be binding on any party to this Stipulation until each of the parties or their authorized representatives have executed this Stipulation and delivered copies of the same to each of the parties.

6. This Stipulation shall be effective (subject to paragraph 3 above) upon execution by all parties as provided in paragraph 5 above.

7. This Stipulation may be signed in counterparts.

Dated this 15th day of May, 2013.

ATTORNEY GENERAL OF THE STATE OF MONTANA

By: Kelley L. Hulband

HEALTH CARE SERVICE CORPORATION

By: _____

Its: _____

BLUE CROSS AND BLUE SHIELD OF MONTANA, INC.

By: _____

Its: _____

3. The deadline for the Attorney General to issue an order as specified in paragraph 1 on page 1 of the April 19, 2013, Stipulation Between the Montana Attorney General and the Applicants ("April 19, 2013, Stipulation"), as filed by the Attorney General and the Applicants herein, is hereby amended as set forth in paragraph 1 above.

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7. This Stipulation may be signed in counterparts.

Dated this 15th day of May, 2013.

ATTORNEY GENERAL OF THE STATE OF MONTANA

By: _____

HEALTH CARE SERVICE CORPORATION

By: Deborah Dawn Roddy

Its: SVP, Chief Legal Off. & Corp. Sec.

BLUE CROSS AND BLUE SHIELD OF MONTANA, INC.

By: _____

Its: _____

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7. This Stipulation may be signed in counterparts.

Dated this 15th day of May, 2013.

ATTORNEY GENERAL OF THE STATE OF MONTANA

By: _____

HEALTH CARE SERVICE CORPORATION

By: _____

Its: _____

BLUE CROSS AND BLUE SHIELD OF MONTANA, INC.

By: Michael E. Frank

Its: President; CEO

CERTIFICATE OF SERVICE

I, Jacqueline T. Lenmark, KELLER, REYNOLDS, DRAKE, JOHNSON & GILLESPIE, P.C., certify that on May 15 2013, I served a true and correct copy of the foregoing **Stipulation and Notice of Deadline Extension of Conversion Transaction Determination**, by mailing it first class postage prepaid to:

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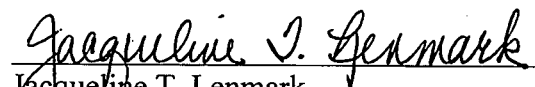
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Pro hac vice for CSI

DATED this 15 day of May, 2013.


Jacqueline T. Lenmark